

# DEFENSE SPENDING BY STATE

FISCAL YEAR 2023

## EXECUTIVE SUMMARY



**U.S. Department of Defense**  
**Office of Local Defense Community Cooperation**



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# INTRODUCTION

This Executive Summary presents an early, high-level overview of U.S. Department of Defense (DoD) contract, grant, and personnel spending during fiscal year (FY) 2023. A final, full report will be released in September 2024.

State and local officials may use this information to assess a region’s dependence on defense spending and to target assistance to support more resilient communities and companies.

**The state-level figures presented in this report are estimates only.** The final FY 2023 spending figures are subject to change pending the results of the full data analysis.

## FY 2023 Overview

Based on this early analysis, DoD contract obligations, grant awards, and payroll spending in all 50 states and the District of Columbia totaled \$618.6 billion, or approximately \$1,846 per U.S. resident. Contracts for various products and services totaled \$440.7 billion, thus comprising the majority of the spending, while DoD grant spending accounted for \$10.4 billion. In addition, DoD payroll accounted for \$167.4 billion of total spending, representing pay for 2.6 million personnel.

Most contract funds went to supplies and equipment (such as aircraft, ships, weapons, and parts; 50 percent) and services (37 percent), with research and development (10 percent) and construction (3 percent) comprising the remainder. The largest portion of personnel pay was for active duty military (46 percent), followed by civilians (41 percent), the National Guard (8 percent), and the Reserves (6 percent). Grant awards for FY 2023 were analyzed at the state level only. DoD grant funds include funding for research and development, Impact Aid, National Guard programs, and Defense Production Act Title III.

Approximately 58 percent of the DoD’s \$618.6 billion went to 10 states (see table 1). Examined at the state level,

defense spending ranged from \$532 million in Wyoming to \$68.4 billion in Texas, with a median value of \$7.4 billion per state among the 50 states and the District of Columbia.

Table 1: Top 10 States by Total Defense Spending

RANK	STATE	DEFENSE SPENDING (billions)
1	Texas	\$68.4
2	Virginia	\$68.0
3	California	\$62.9
4	Florida	\$32.8
5	Maryland	\$29.1
6	Connecticut	\$26.0
7	Pennsylvania	\$22.5
8	Arizona	\$18.1
9	Massachusetts	\$17.1
10	New York	\$15.4
Total for Top Ten States		\$360.4
Total for 50 States and District of Columbia		\$618.6

Table 2: Top 10 States by Defense Contract Spending

RANK	STATE	DEFENSE SPENDING (billions)
1	Texas	\$55.5
2	Virginia	\$46.3
3	California	\$43.3
4	Connecticut	\$25.1
5	Florida	\$23.5
6	Maryland	\$19.6
7	Pennsylvania	\$18.8
8	Arizona	\$15.6
9	Massachusetts	\$15.3
10	New York	\$12.0
Total for Top Ten States		\$275.0
Total for 50 States and District of Columbia		\$440.7

Further review shows that some states received substantial funds for contract, grant, and personnel spending, while other states received relatively high amounts in only one. Specifically, California, Florida, Maryland, Texas, and Virginia were all among the top ten recipients of defense contracts, grants, and personnel spending. In addition, all of the states that were among the top ten recipients of defense contract funds were also among the top ten states for overall defense spending (see table 2).

Colorado, Georgia, Hawaii, North Carolina, and Washington were among the largest recipients of defense personnel spending, but were not among the top states for overall defense spending (see table 3).

Table 3: Top 10 States by Defense Personnel Spending

RANK	STATE	DEFENSE SPENDING (billions)
1	Virginia	\$21.3
2	California	\$18.2
3	Texas	\$12.5
4	Florida	\$8.9
5	Maryland	\$8.7
6	North Carolina	\$7.8
7	Washington	\$7.7
8	Georgia	\$7.5
9	Hawaii	\$6.2
10	Colorado	\$4.0
Total for Top Ten States		\$102.8
Total for 50 States and District of Columbia		\$167.4

Similarly, Alabama and Michigan were among the top recipients of defense grant awards, but were not among the top states for overall defense spending (see table 4).

A supplemental analysis report of DoD personnel, contract, and grant spending in American Samoa, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States will be issued in late 2024.

Table 4: Top 10 States by Defense Grant Spending

RANK	STATE	DEFENSE SPENDING (billions)
1	California	\$1,353
2	Maryland	\$782
3	Michigan	\$696
4	Massachusetts	\$530
5	Pennsylvania	\$416
6	Virginia	\$405
7	Texas	\$393
8	Florida	\$374
9	New York	\$372
10	Alabama	\$345
Total for Top Ten States		\$5,666.0
Total for 50 States and District of Columbia		\$10,432.3

Methodology

The maps in this report provide a state-by-state summary of defense spending on five different metrics: total defense spending, total contract spending, total grant spending, total personnel payroll spending, and total personnel numbers. The data used to generate the maps are drawn from an array of sources, including the DoD’s Defense Manpower Data Center and USAspending.gov, which is managed by the U.S. Department of the Treasury.

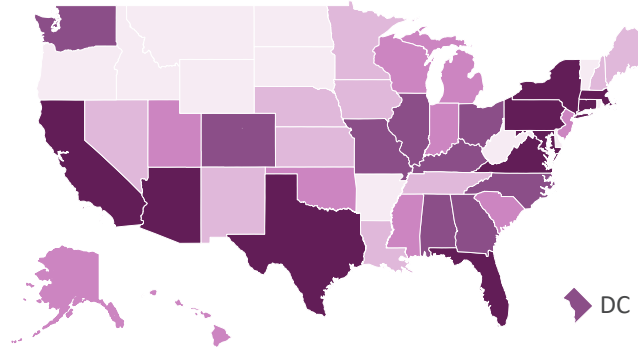
This early analysis entailed an examination of DoD-funded prime- and sub-award contract data, DoD-funded prime- and sub-grant data, and defense personnel and payroll figures. The forthcoming full report will additionally include top counties, major defense contractors, categories of contracted goods and services, and defense spending as a percentage of the gross domestic product (GDP) in each state.

# UNITED STATES

FISCAL YEAR 2023

## Total Spending

Billions	
	\$15.4 to \$68.4
	\$10.9 to \$15.3
	\$4.7 to \$10.3
	\$2.2 to \$4.7
	\$0.5 to \$1.9

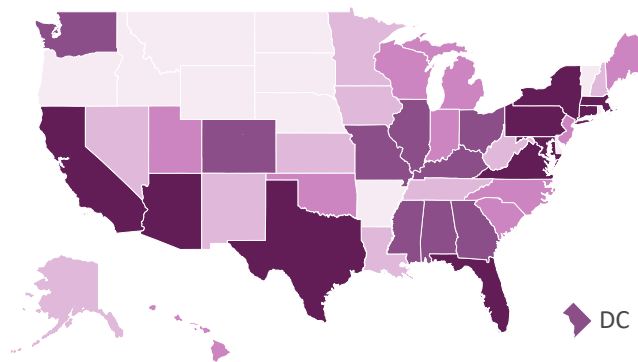


## Top 10 States by Total Spending (billions)

Texas	\$68.4
Virginia	\$68.0
California	\$62.9
Florida	\$32.8
Maryland	\$29.1
Connecticut	\$26.0
Pennsylvania	\$22.5
Arizona	\$18.1
Massachusetts	\$17.1
New York	\$15.4

## Contract Spending

Billions	
	\$12.0 to \$55.5
	\$7.2 to \$11.4
	\$3.5 to \$7.0
	\$1.4 to \$3.1
	\$0.1 to \$1.3

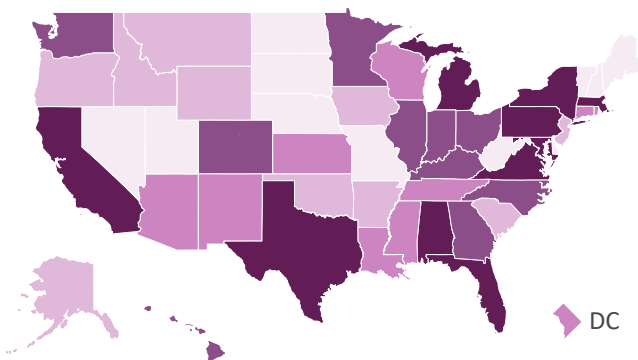


## Top 10 States by Contract Spending (billions)

Texas	\$55.5
Virginia	\$46.3
California	\$43.3
Connecticut	\$25.1
Florida	\$23.5
Maryland	\$19.6
Pennsylvania	\$18.8
Arizona	\$15.6
Massachusetts	\$15.3
New York	\$12.0

## Grant Spending

Millions	
	\$345 to \$1,353
	\$144 to \$281
	\$108 to \$143
	\$68 to \$105
	\$35 to \$67



## Top 10 States by Grant Spending (millions)

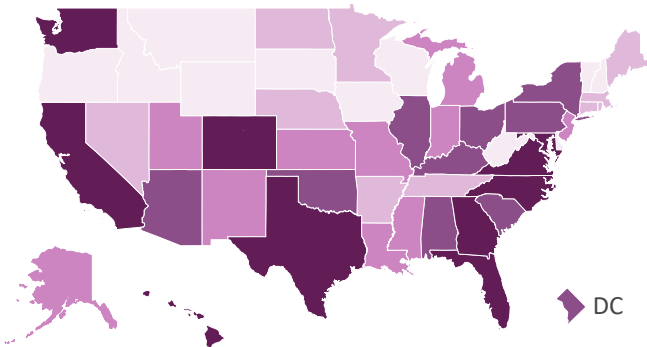
California	\$1,353
Maryland	\$782
Michigan	\$696
Massachusetts	\$530
Pennsylvania	\$416
Virginia	\$405
Texas	\$393
Florida	\$374
New York	\$372
Alabama	\$345

# UNITED STATES

FISCAL YEAR 2023

## Personnel Spending

Billions	
	\$4.0 to \$21.3
	\$2.3 to \$3.8
	\$1.5 to \$2.2
	\$0.7 to \$1.4
	\$0.2 to \$0.6

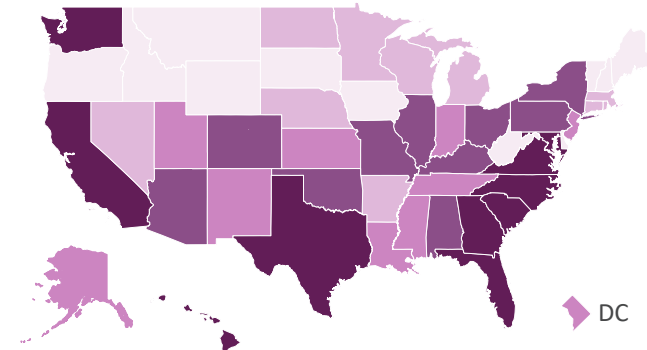


## Top 10 States by Personnel Spending (billions)

Virginia	\$21.3
California	\$18.2
Texas	\$12.5
Florida	\$8.9
Maryland	\$8.7
North Carolina	\$7.8
Washington	\$7.7
Georgia	\$7.5
Hawaii	\$6.2
Colorado	\$4.0

## Personnel Numbers

Thousands	
	68 to 272
	39 to 62
	25 to 37
	13 to 25
	4 to 13



## Top 10 States by Personnel Numbers (thousands)

California	272
Virginia	248
Texas	212
North Carolina	132
Florida	132
Georgia	126
Washington	105
Maryland	94
Hawaii	73
South Carolina	68

**Note:** In USASpending.gov, DoD prime contracts are associated with one place of performance per contract or subaward as designated by the contractor receiving the funds and do not reflect how the total contracted workload or revenue is distributed. No "manual adjustments" have been made to further allocate this contract spending across locations beyond what is reported in USASpending.gov. Recognizing contracted work may occur at multiple locations across a company, readers are encouraged to contact state and local organizations for more details on Defense supply chain information that is not captured in this report.

Regarding personnel data, the report uses DoD's Defense Manpower Data Center (DMDC) for gross payroll and personnel counts. DMDC Defense payroll figures represent the total gross pay received by personnel in a county through FY 2023, while personnel counts reflect the number on September 30, 2023. Personnel counts do not include contractors, as contracted personnel are not reported to DMDC.







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